

ORIGINAL
OPEN MEETING



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MEMORANDUM

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TO: THE COMMISSION

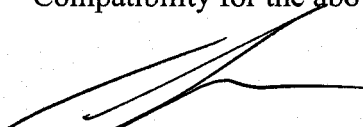
FROM: Utilities Division

DATE: January 19, 2011

RE: GILA BEND POWER PARTNERS, L.L.C. – APPLICATION FOR EXTENSION OF
CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY (DOCKET NO.
L-00000V-00-0106-00000 AND L-00000V-01-0109-00000)

AZ CORP COMMISSION
DOCKET CONTROL

Attached please find two Open Meeting Memoranda and Proposed Orders for Gila Bend Power Partners, LLC's application for Extension of its Certificate of Environmental Compatibility for the above consolidated dockets.




Steven M. Olea
Director
Utilities Division

SMO:RTW:lhv\CH

ORIGINATOR: Ray T. Williamson

Arizona Corporation Commission
DOCKETED

JAN 19 2011

DOCKETED BY 

OPEN MEETING

MEMORANDUM

TO: THE COMMISSION

FROM: Utilities Division

DATE: January 19, 2011

RE: GILA BEND POWER PARTNERS, L.L.C. – APPLICATION FOR EXTENSION OF CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY (DOCKET NO. L-00000V-00-0106-00000)

On January 7, 2011, Gila Bend Power Partners, L.L.C. ("GBPP") submitted an application for extension of three Certificates of Environmental Compatibility ("CEC"), a Request for Expedited Treatment, and to the extent necessary, interim extensions. Specifically, GBPP requested that the three CECs be extended to February 7, 2018.

In Case No. 106 (Docket No. L-00000V-00-0106), the Arizona Corporation Commission ("Commission") granted a CEC for the construction by GBPP of a natural gas-fired, combined cycle generating plant, switchyard, and related facilities ("Project") in the Town of Gila Bend in Maricopa County in Decision No. 63552 (April 12, 2001). The Commission later extended the GBPP authorization to construct the Gila Bend Power Plant in Decision No. 69177 (December 5, 2006). The authorization to construct the power plant will expire on February 7, 2011, unless the Commission extends the time limitation as permitted by Decision No. 69177.

In Case No. 109 (Docket No. L-00000V-01-0109), the Commission authorized the construction of a 500 kV Watermelon Switchyard, a 500 kV transmission line from the Gila Bend Power Plant to the Watermelon Switchyard, and a 500 kV interconnection at the Watermelon Switchyard. In Decision No. 63762 (June 12, 2001), the Commission granted GBPP a CEC for these facilities. The Commission granted an extension of GBPP's authorization to construct the facilities in Decision No. 69177. That extended authorization will expire on April 11, 2011, unless the Commission extends the time limit as permitted by Decision No. 69177.

In Case No. 119 (Docket No. L-00000V-02-0119), GBPP applied for authorization to construct a 500 kV transmission line from the Hassayampa Switchyard to the Jojoba Switchyard and associated switchyard components, to complete the interconnection of GBPP's Gila Bend Power Plant to the Palo Verde Hub. In Decision No. 65866 (April 25, 2003), the Commission approved a CEC for the transmission line. An extension of the CEC was approved by the Commission in Decision No. 70323 (April 29, 2008). The authorization for GBPP to construct the facilities will expire on April 11, 2011, unless the Commission extends the time limitation as permitted by Decision No. 70323.

In the instant Application, GBPP refers to the Commission Decisions in Cases 106, 109, and 119, collectively as "GBPP CECs". GBPP contends that the application should be approved because the need for the new generation has been delayed by the recession. GBPP further argues that the application should be approved because GBPP is still firmly committed to the Project. Finally, GBPP argues that the Project will provide benefits to the regional transmission system and to renewable generators in the state. GBPP contends that the Commission's finding of need for the Gila Bend Power Plant in Decision No. 69177 is still valid.

GBPP points out that it has already invested more than \$19 million in the Project and continues to invest. GBPP recently paid over \$50,000 in rent for a BLM right of way for 2011.

GBPP argues that the increased transmission capacity resulting from the Project will be a benefit to other generation providers. GBPP specifically mentions the benefit to renewable generators located in and around Gila Bend.

Staff has reviewed the application of GBPP and the previously approved CECs and CEC extensions.

Staff agrees with GBPP that although, in the short run, the need for the GBPP has been delayed by the recession, that need will be confirmed as new growth appears with the end of the recession.

Staff believes that GBPP, through its expenditures and continuing efforts, has demonstrated that it is committed to completion of all aspects of the Project.

Finally, Staff concurs with GBPP that the project will provide benefits to the regional transmission system in general and to renewable generators in particular. Most of the renewable projects proposed for the Gila Bend area are solar projects. The Gila Bend/Palo Verde area was identified as a Solar Resource Area in the Commission's Sixth Biennial Transmission Assessment 2010-2019. Most solar projects only produce electricity during daylight hours. However, a few projects have included thermal storage that will extend their electricity production into the evening hours. The Gila Bend power plant will complement the proposed solar plants and will provide a back-up source of power from the Gila Bend area during hours of darkness.

Staff recommends approval of the GBPP request for an extension of the GBPP CECs authorization to construct the Project until February 7, 2018.

However, Staff notes that GBPP waited until January 7, 2011, to file an extension request for a CEC (for Case No. 106) that expires on February 7, 2011, and asked for expedited treatment. Staff is concerned that GBPP waited to request an extension until so close to the expiration of the CECs. The late timing of the application places an unnecessary burden on Staff to be responsive to the needs of GBPP while providing a thorough analysis of the application. Although Staff has taken steps to accommodate GBPP's request, it does so at the expense of

other applicants who have responsibly prepared and timely submitted their applications. Staff recommends that the Commission place a requirement on the extension that requires GBPP, if in 2018 it desires another extension, to file such an extension at least 120 days prior to the deadline determined in this proceeding.

In addition, Staff recommends that the following language be included in the Order approving extension of the deadline date:

Decision No. 63552:

“This authorization to site and construct the Gila Bend Power Plant shall expire on February 7, 2018. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the Gila Bend Power Plant has been substantially constructed as of the time of such extension request. The Commission will determine what “substantial construction” is, at the time of Applicant’s filing for time extension. In determining whether the facilities have been substantially constructed, the Commission shall include consideration of the status of the Gila Bend Power Plant financing and physical site construction.”

Decision No. 63672:

“This authorization to site and construct the 500 kV Watermelon Switchyard, a 500 kV transmission line from the Gila Bend Power Plant to the Watermelon Switchyard, and a 500 kV interconnection at the Watermelon Switchyard shall expire on February 7, 2018. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the subject GBPP facilities have been substantially constructed as of the time of such extension request. The Commission will determine what “substantial construction” is, at the time of Applicant’s filing for time extension. In determining whether the facilities have been substantially constructed, the Commission shall include consideration of the status of the subject GBPP facilities financing and physical site construction.”

Decision No. 65866:

“This authorization to site and construct a 500 kV transmission line from the Hassayampa Switchyard to the Jojoba Switchyard and associated switchyard components shall expire on February 7, 2018. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the subject GBPP Facilities have been substantially constructed as of the time of such extension request. The Commission will determine what “substantial

THE COMMISSION

January 19, 2011

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construction” is, at the time of Applicant’s filing for time extension. In determining whether the facilities have been substantially constructed, the Commission shall include consideration of the status of the subject GBPP facilities financing and physical site construction.”

A handwritten signature in black ink, consisting of several sweeping, overlapping strokes that form the name 'Steven M. Olea'.

Steven M. Olea
Director
Utilities Division

SMO:RTW:lhv\CH

ORIGINATOR: Ray T. Williamson

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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

IN THE MATTER OF THE APPLICATION
OF GILA BEND POWER PARTNERS,
L.L.C., OR THEIR ASSIGNEE(S), IN
CONFORMANCE WITH REQUIREMENTS
OF ARIZONA REVISED STATUTES
SECTIONS 40-360-01 et seq., FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING THE
COMBINED CYCLE GENERATING
PLANT, SWITCHYARD, AND RELATED
FACILITIES IN THE TOWN OF GILA
BEND, MARICOPA COUNTY, ARIZONA,
LOCATED IN THE SOUTHWEST
QUARTER OF SECTION 19, TOWNSHIP 5
SOUTH RANGE 5 WEST, GILA AND SALT
RIVER BASE AND MERIDIAN

DOCKET NO. L-00000V-00-0106-00000
CASE NO. 106
ORDER MODIFYING
DECISION NO. 63552
DECISION NO. _____
ORDER

Open Meeting
February 1 and 2, 2011
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On January 7, 2011, Gila Bend Power Partners, L.L.C. ("GBPP") submitted an application for extension of three Certificates of Environmental Compatibility ("CEC"), a Request for Expedited Treatment, and to the extent necessary, interim extensions. Specifically, GBPP requested that the three CEC's be extended to February 7, 2018.

2. In Case No. 106 (Docket No. L-00000V-00-0106), the Arizona Corporation Commission ("Commission") granted a CEC for the construction by GBPP of a natural gas-fired,

1 combined cycle generating plant, switchyard, and related facilities ("Project") in the Town of Gila
2 Bend in Maricopa County in Decision No. 63552 (April 12, 2001). The Commission later
3 extended the GBPP authorization to construct the Gila Bend Power Plant in Decision No. 69177
4 (December 5, 2006). The authorization to construct the power plant will expire on February 7,
5 2011, unless the Commission extends the time limitation as permitted by Decision No. 69177.

6 3. In Case No. 109 (Docket No. L-00000V-01-0109), the Commission authorized the
7 construction of a 500 kV Watermelon Switchyard, a 500 kV transmission line from the Gila Bend
8 Power Plant to the Watermelon Switchyard, and a 500 kV interconnection at the Watermelon
9 Switchyard. In Decision No. 63762 (June 12, 2001), the Commission granted GBPP a CEC for
10 these facilities. The Commission granted an extension of GBPP's authorization to construct the
11 facilities in Decision No. 69177. That extended authorization will expire on April 11, 2011, unless
12 the Commission extends the time limit as permitted by Decision No. 69177.

13 4. In Case No. 119 (Docket No. L-00000V-02-0119), GBPP applied for authorization
14 to construct a 500 kV transmission line from the Hassayampa Switchyard to the Jojoba Switchyard
15 and associated switchyard components, to complete the interconnection of GBPP's Gila Bend
16 Power Plant to the Palo Verde Hub. In Decision No. 65866 (April 25, 2003), the Commission
17 approved a CEC for the transmission line. An extension of the CEC was approved by the
18 Commission in Decision No. 70323 (April 29, 2008). The authorization for GBPP to construct the
19 facilities will expire on April 11, 2011, unless the Commission extends the time limitation as
20 permitted by Decision No. 70323.

21 5. In the instant Application, GBPP refers to the Commission Decisions in Cases 106,
22 109, and 119, collectively as "GBPP CECs". GBPP contends that the application should be
23 approved because the need for the new generation has been delayed by the recession. GBPP
24 further argues that the application should be approved because GBPP is still firmly committed to
25 the Project. Finally, GBPP argues that the Project will provide benefits to the regional
26 transmission system and to renewable generators in the state. GBPP contends that the
27 Commission's finding of need for the Gila Bend Power Plant in Decision No. 69177 is still valid.

28 ...

1 6. GBPP points out that it has already invested more than \$19 million in the Project
2 and continues to invest. GBPP recently paid over \$50,000 in rent for a BLM right of way for
3 2011.

4 7. GBPP argues that the increased transmission capacity resulting from the Project
5 will be a benefit to other generation providers. GBPP specifically mentions the benefit to
6 renewable generators located in and around Gila Bend.

7 8. Staff has reviewed the application of GBPP and the previously approved CECs and
8 CEC extensions.

9 9. Staff agrees with GBPP that although, in the short run, the need for the GBPP has
10 been delayed by the recession, that need will be confirmed as new growth appears with the end of
11 the recession.

12 10. Staff believes that GBPP, through its expenditures and continuing efforts, has
13 demonstrated that it is committed to completion of all aspects of the Project.

14 11. Finally, Staff concurs with GBPP that the project will provide benefits to the
15 regional transmission system in general and to renewable generators in particular. Most of the
16 renewable projects proposed for the Gila Bend area are solar projects. The Gila Bend/Palo Verde
17 area was identified as a Solar Resource Area in the Commission's Sixth Biennial Transmission
18 Assessment 2010-2019. Most solar projects only produce electricity during daylight hours.
19 However, a few projects have included thermal storage that will extend their electricity production
20 into the evening hours. The Gila Bend power plant will complement the proposed solar plants and
21 will provide a back-up source of power from the Gila Bend area during hours of darkness.

22 12. Staff recommends approval of the GBPP request for an extension of the GBPP
23 CECs authorization to construct the Project until February 7, 2018.

24 13. However, Staff notes that GBPP waited until January 7, 2011, to file an extension
25 request for the Case No. 106 CEC (which expires on February 7, 2011), and asked for expedited
26 treatment. Staff is concerned that GBPP waited to request an extension until so close to the
27 expiration of the CECs. The late timing of the application places an unnecessary burden on Staff
28 to be responsive to the needs of GBPP while providing a thorough analysis of the application.

1 Although Staff has taken steps to accommodate GBPP's request, it does so at the expense of other
2 applicants who have responsibly prepared and timely submitted their applications. Staff
3 recommends that the Commission place a requirement on the extension that requires GBPP, if in
4 2018 it desires another extension, to file such an extension at least 120 days prior to the deadline
5 determined in this proceeding.

6 14. In addition, Staff recommends that the following language modifying Condition
7 No. 2 of the CEC for Case 106 be included in the Order approving extension of the deadline date:

8 "This authorization to site and construct the Gila Bend Power Plant shall
9 expire on February 7, 2018. However, before such expiration, Applicant or
10 any assignee of Applicant may request that the Commission further extend
11 this time limitation, provided that the Gila Bend Power Plant has been
12 substantially constructed as of the time of such extension request. The
13 Commission will determine what "substantial construction" is, at the time of
14 Applicant's filing for time extension. In determining whether the facilities
15 have been substantially constructed, the Commission shall include
16 consideration of the status of the Gila Bend Power Plant financing and
17 physical site construction."

18 CONCLUSIONS OF LAW

19 1. The Commission has jurisdiction over Gila Bend Power Partners, LLC and the
20 subject matter contained herein pursuant to Article XV of the Arizona Constitution and A.R.S. §§
21 40-252 and 40-360, *et seq.*

22 2. Notice of the proceeding has been given in the manner prescribed by law.

23 3. The Commission, having reviewed and considered Gila Bend Power Partners
24 LLC's application to extend time, concludes that it is in the public interest to adopt Staff's
25 proposed revision to Condition No. 2 of the Certificate of Environmental Compatibility as set forth
26 in Finding of Fact No. 14 and to modify Decision No. 63552, as modified by Decision No. 69177,
27 accordingly.

28 ORDER

IT IS THEREFORE ORDERED that Decision No. 63552, as modified by Decision No.
69177, is hereby modified to revise Condition No. 2 of the Certificate of Environmental
Compatibility to state the following:

1 "This authorization to site and construct the Gila Bend Power Plant
2 shall expire on February 7, 2018. However, before such expiration,
3 Applicant or any assignee of Applicant may request that the
4 Commission further extend this time limitation, provided that the
5 Gila Bend Power Plant has been substantially constructed as of the
6 time of such extension request. The Commission will determine
7 what "substantial construction" is, at the time of Applicant's filing
8 for time extension. In determining whether the facilities have been
9 substantially constructed, the Commission shall include
10 consideration of the status of the Gila Bend Power Plant financing
11 and physical site construction."

8 IT IS FURTHER ORDERED that any future requests to extend the Certificate of
9 Environmental Compatibility shall be made at least 120 days prior to the expiration of the
10 Certificate of Environmental Compatibility.

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1 IT IS FURTHER ORDERED that all other provisions of Decision No. 63552, as modified
2 by Decision No. 69177, remain in full force and effect.

3 IT IS FURTHER ORDERED that this Decision become effective immediately.

4
5 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

6
7 _____
8 CHAIRMAN

COMMISSIONER

9
10 _____
11 COMMISSIONER

COMMISSIONER

COMMISSIONER

12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
13 Executive Director of the Arizona Corporation Commission,
14 have hereunto, set my hand and caused the official seal of
15 this Commission to be affixed at the Capitol, in the City of
16 Phoenix, this _____ day of _____, 2011.

17 _____
18 ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

19 DISSENT: _____

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21 DISSENT: _____

22 SMO:RTW:lh\CH
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1 SERVICE LIST FOR: Gila Bend Power Partners, LLC
2 DOCKET NO. L-00000V-00-0106-00000

3 Mr. John Foreman
4 Chairman
5 Arizona Power Plant and Transmission
6 Line Sitting Committee
7 Office of Attorney General
8 1275 West Washington Street
9 Phoenix, Arizona 85007

10 Mr. Thomas H. Campbell
11 Mr. Albert H. Acken
12 Mr. Matthew G. Bingham
13 Lewis & Roca LLP
14 40 North Central Avenue
15 Phoenix, Arizona 85004
16 Attorneys for Gila Bend Power Partners, LLC

17 Mr. Steven M. Olea
18 Director, Utilities Division
19 Arizona Corporation Commission
20 1200 West Washington Street
21 Phoenix, Arizona 85007

22 Ms. Janice M. Alward
23 Chief Counsel, Legal Division
24 Arizona Corporation Commission
25 1200 West Washington Street
26 Phoenix, Arizona 85007

OPEN MEETING

MEMORANDUM

TO: THE COMMISSION

FROM: Utilities Division

DATE: January 19, 2011

RE: GILA BEND POWER PARTNERS, L.L.C. – APPLICATION FOR EXTENSION OF
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other applicants who have responsibly prepared and timely submitted their applications. Staff recommends that the Commission place a requirement on the extension that requires GBPP, if in 2018 it desires another extension, to file such an extension at least 120 days prior to the deadline determined in this proceeding.

In addition, Staff recommends that the following language be included in the Order approving extension of the deadline date:

Decision No. 63552:

"This authorization to site and construct the Gila Bend Power Plant shall expire on February 7, 2018. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the Gila Bend Power Plant has been substantially constructed as of the time of such extension request. The Commission will determine what "substantial construction" is, at the time of Applicant's filing for time extension. In determining whether the facilities have been substantially constructed, the Commission shall include consideration of the status of the Gila Bend Power Plant financing and physical site construction."

Decision No. 63672:

"This authorization to site and construct the 500 kV Watermelon Switchyard, a 500 kV transmission line from the Gila Bend Power Plant to the Watermelon Switchyard, and a 500 kV interconnection at the Watermelon Switchyard shall expire on February 7, 2018. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the subject GBPP facilities have been substantially constructed as of the time of such extension request. The Commission will determine what "substantial construction" is, at the time of Applicant's filing for time extension. In determining whether the facilities have been substantially constructed, the Commission shall include consideration of the status of the subject GBPP facilities financing and physical site construction."

Decision No. 65866:


"This authorization to site and construct a 500 kV transmission line from the Hassayampa Switchyard to the Jojoba Switchyard and associated switchyard components shall expire on February 7, 2018. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the subject GBPP Facilities have been substantially constructed as of the time of such extension request. The Commission will determine what "substantial

THE COMMISSION

January 19, 2011

Page 4

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Steven M. Olea
Director
Utilities Division

SMO:RTW:lhmm\CH

ORIGINATOR: Ray T. Williamson

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 GARY PIERCE
Chairman
3 BOB STUMP
Commissioner
4 SANDRA D. KENNEDY
Commissioner
5 PAUL NEWMAN
Commissioner
6 BRENDA BURNS
Commissioner
7

8 IN THE MATTER OF IN THE MATTER OF)
THE APPLICATION OF GILA BEND)
9 POWER PARTNERS AND ITS ASSIGNS IN)
CONFORMANCE WITH THE)
10 REQUIREMENTS OF ARIZONA REVISED)
STATUTES 40-360.03 AND 40-360.06 FOR)
11 A CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING)
12 CONSTRUCTION OF ONE 500kV)
TRANSMISSION LINE AND THE)
13 WATERMELON SWITCHYARD IN)
MARICOPA COUNTY, ARIZONA)
14 ORIGINATING AT THE PROPOSED GILA)
BEND POWER PARTNERS POWER)
15 PROJECT LOCATED NORTHWEST OF)
THE CENTER OF THE TOWN OF GILA)
16 BEND, ARIZONA (SECTION 19,)
TOWNSHIP 5 SOUTH, RANGE 5 WEST,)
17 G&SRB&M) AND TERMINATING AT THE)
PROPOSED WATERMELON)
18 SWITCHYARD SECTION 22, TOWNSHIP 5)
SOUTH, RANGE 4 WEST, A DISTANCE)
19 OF APPROXIMATELY 9 MILES)
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DOCKET NO. L-00000V-01-0109-00000

CASE NO. 109

DECISION NO. _____

ORDER

22
23 Open Meeting
February 1 and 2, 2011
24 Phoenix, Arizona

25 BY THE COMMISSION:

26 FINDINGS OF FACT

27 1. On January 7, 2011, Gila Bend Power Partners, L.L.C. ("GBPP") submitted an
28 application for extension of three Certificates of Environmental Compatibility ("CEC"), a Request

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25 5. In the instant Application, GBPP refers to the Commission Decisions in Cases 106,
26 109, and 119, collectively as "GBPP CECs". GBPP contends that the application should be
27 approved because the need for the new generation has been delayed by the recession. GBPP
28 further argues that the application should be approved because GBPP is still firmly committed to

1 the Project. Finally, GBPP argues that the Project will provide benefits to the regional
2 transmission system and to renewable generators in the state. GBPP contends that the
3 Commission's finding of need for the Gila Bend Power Plant in Decision No. 69177 is still valid.

4 6. GBPP points out that it has already invested more than \$19 million in the Project
5 and continues to invest. GBPP recently paid over \$50,000 in rent for a BLM right of way for
6 2011.

7 7. GBPP argues that the increased transmission capacity resulting from the Project
8 will be a benefit to other generation providers. GBPP specifically mentions the benefit to
9 renewable generators located in and around Gila Bend.

10 8. Staff has reviewed the application of GBPP and the previously approved CECs and
11 CEC extensions.

12 9. Staff agrees with GBPP that although, in the short run, the need for the GBPP has
13 been delayed by the recession, that need will be confirmed as new growth appears with the end of
14 the recession.

15 10. Staff believes that GBPP, through its expenditures and continuing efforts, has
16 demonstrated that it is committed to completion of all aspects of the Project.

17 11. Finally, Staff concurs with GBPP that the project will provide benefits to the
18 regional transmission system in general and to renewable generators in particular. Most of the
19 renewable projects proposed for the Gila Bend area are solar projects. The Gila Bend/Palo Verde
20 area was identified as a Solar Resource Area in the Commission's Sixth Biennial Transmission
21 Assessment 2010-2019. Most solar projects only produce electricity during daylight hours.
22 However, a few projects have included thermal storage that will extend their electricity production
23 into the evening hours. The Gila Bend power plant will complement the proposed solar plants and
24 will provide a back-up source of power from the Gila Bend area during hours of darkness.

25 12. Staff recommends approval of the GBPP request for an extension of the GBPP
26 CECs authorization to construct the Project until February 7, 2018.

27 13. Although the CEC for Case No. 109 does not expire until April 11, 2011, Staff
28 notes that GBPP waited until January 7, 2011, to file an extension request for all three GBPP

1 CECs (one of which, Case No. 106, expires on February 7, 2011) and asked for expedited
2 treatment. Staff is concerned that GBPP waited to request an extension until so close to the
3 expiration of the CECs. The late timing of the application places an unnecessary burden on Staff
4 to be responsive to the needs of GBPP while providing a thorough analysis of the application.
5 Although Staff has taken steps to accommodate GBPP's request, it does so at the expense of other
6 applicants who have responsibly prepared and timely submitted their applications. Staff
7 recommends that the Commission place a requirement on the extension that requires GBPP, if in
8 2018 it desires another extension, to file such an extension at least 120 days prior to the deadline
9 determined in this proceeding.

10 14. In addition, Staff recommends that the following language modifying Condition
11 No. 5 of the CEC for Case 109 be included in the Order approving extension of the deadline date:

12 "This authorization to site and construct the 500 kV Watermelon
13 Switchyard, a 500 kV transmission line from the Gila Bend Power Plant to
14 the Watermelon Switchyard, and a 500 kV interconnection at the
15 Watermelon Switchyard shall expire on February 7, 2018. However, before
16 such expiration, Applicant or any assignee of Applicant may request that the
17 Commission further extend this time limitation, provided that the GBPP
18 facilities have been substantially constructed as of the time of such
19 extension request. The Commission will determine what "substantial
20 construction" is, at the time of Applicant's filing for time extension. In
21 determining whether the facilities have been substantially constructed, the
22 Commission shall include consideration of the status of the GBPP facilities
23 financing and physical site construction."

24 CONCLUSIONS OF LAW

25 1. The Commission has jurisdiction over Gila Bend Power Partners, LLC and the
26 subject matter contained herein pursuant to Article XV of the Arizona Constitution and A.R.S. §§
27 40-252 and 40-360, *et seq.*

28 2. Notice of the proceeding has been given in the manner prescribed by law.

3. The Commission, having reviewed and considered Gila Bend Power Partners,
LLC's application to extend time, concludes that it is in the public interest to adopt Staff's
proposed revision to Condition No. 5 of the Certificate of Environmental Compatibility as set forth

...

1 in Finding of Fact No. 14 and to modify Decision No. 63762, as modified by Decision No. 69177,
2 accordingly.

3 ORDER

4 IT IS THEREFORE ORDERED that Decision No. 63762, as modified by Decision No.
5 69177, is hereby modified to revise Condition No. 5 of the Certificate of Environmental
6 Compatibility to state the following:

7 "This authorization to site and construct the 500 kV Watermelon
8 Switchyard, a 500 kV transmission line from the Gila Bend Power
9 Plant to the Watermelon Switchyard, and a 500 kV interconnection
10 at the Watermelon Switchyard shall expire on February 7, 2018.
11 However, before such expiration, Applicant or any assignee of
12 Applicant may request that the Commission further extend this time
13 limitation, provided that the subject GBPP facilities have been
14 substantially constructed as of the time of such extension request.
The Commission will determine what "substantial construction" is,
at the time of Applicant's filing for time extension. In determining
whether the facilities have been substantially constructed, the
Commission shall include consideration of the status of the GBPP
facilities financing and physical site construction."

15 IT IS FURTHER ORDERED that any future requests to extend the Certificate of
16 Environmental Compatibility shall be made at least 120 days prior to the expiration of the
17 Certificate of Environmental Compatibility.

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19 ...

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1 IT IS FURTHER ORDERED that all other provisions of Decision No. 63762, as modified
2 by Decision No. 69177, remain in full force and effect.

3 IT IS FURTHER ORDERED that this Decision become effective immediately.

4
5 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

6
7 _____
CHAIRMAN

COMMISSIONER

8
9
10 _____
COMMISSIONER

COMMISSIONER

COMMISSIONER

11
12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
13 Executive Director of the Arizona Corporation Commission,
14 have hereunto, set my hand and caused the official seal of
this Commission to be affixed at the Capitol, in the City of
Phoenix, this _____ day of _____, 2011.

15
16
17 _____
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

18
19 DISSENT: _____

20
21 DISSENT: _____

22 SMO:RTW:lh\CH
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28

1 SERVICE LIST FOR: Gila Bend Power Partners, LLC
2 DOCKET NO. L-00000V-01-0109-00000

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